[Mr. R. Rama Varier.]

year. The current year's receipts are expected to be Rs 2·96 lakhs as against Rs 2·43 lakhs during 1115. This increase is mainly due to the increase in the number of private consumers and the re-starting of the Rubber Factory. The receipts for the next year are estimated at Rs 3·08 lakhs and the working expenses at Rs 2·02 lakhs.

A programme of capital works involving an outlay of Rs 50,000 is included in the next year's budget, primarily for the extension of supply to the various parts of the City in order to cater to the needs of the increasing number of consumers.

PALLIVASAL HYDRO-ELECTRIC SCHEME.

41. The capital expenditure on the scheme at the end of the current year is expected to be Rs 152·96 lakhs and that at the end of the next year to be Rs 178·83 lakhs. There is an increase in demand for the supply of energy especially for industrial and agricultural purposes. The working of the scheme is expected to bring in a net receipt of over Rs 6 lakhs for the next year as against Rs 1·92 lakhs this year. A large portion of the work for the extension of supply to the Kuttanad Punja fields has been completed. But only a restricted area has been actually brought under supply on account of the shortage of equipment. It is hoped the works would be completed before the close of the next year. The House has already been told about the possibilities of increasing the production of paddy in the State by means of lift irrigation scheme in the Kunnathunad taluk.

The next year's programme of works under the Pallivasal Hydro-Electric Scheme includes the installation of transformers and switch gears at Pallivasal and Alwaye for the supply of energy to the Aluminium Production Company. With the working of the Factory in full swing and with the increasing demand for energy and the contemplated bulk sale of energy to certain licensees, the Pallivasal Hydro-Electric Scheme is sure to yield a substantial revenue to Government. It is hoped that the proposed sale of energy to the Cochin Government will also increase our revenue from this scheme considerably.

TRUNK TELEPHONE SCHEME.

42. Early this year the Trivandrum Telephone Exchange which was till then treated as a separate unit in itself was merged with the Travancore Trunk Telephone system. The capital expenditure on the Trunk Telephone system at the end of the current year is expected to stand at Rs 11·00 lakhs and that at the end of next year at Rs 13·00 lakhs. There are at present 4 exchanges and 26 public call offices besides 560 services in the Telephone System and it is expected that there will be an addition of at least 140 subscribers during the next year. The

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revenue during the current year from the Telephone system is estimated at Rs. 1 lakh and that for the next year at Rs 1·40 lakhs. A provision of Rs 2·00 lakhs has been made for capital works under the scheme.

43. I shall now pass on to review our debt position and explain our ways and means.

Debt Position.

44. The five per cent. Debenture Loan of Rs 14·75 lakhs raised in 1091 matures for discharge on the first day of the next year and it is proposed to repay the same on the due date from the cash balance without recourse to the sale of the securities held in the Sinking Fund investment account. Our debt position at the close of 1117 would stand at Rs 531·65 lakhs consisting of (i) Public loan of Rs. 50·89 lakhs, (ii) Special loan of Rs 79·76 lakhs and (iii) balances at the credit of Provident Funds Insurance Funds, Savings Bank deposits, etc., Rs 401 lakhs. When our Sinking Funds, cash balances, the investments of Government in gilt-edged securities and bullion and the loans advanced by Government to agriculturists, industrialists etc., are taken into account, the debt burden is very small and is more than covered up by our assets and investments on reproductive works.

Ways and Means.

45. Our requirements for the next year for capital works (44·20), for loans, (5·44), and for discharge of the 5 per cent. Debenture Loan of 1091 (14·75) aggregate to Rs 64·39 lakhs. To meet this expenditure there is an opening balance of Rs 44·28 lakhs. A sum of Rs 4·66 lakhs is expected from repayment of loans and advances. There is also a credit of Rs 14·75 lakhs in the Sinking Fund account of the loan to be credited to General Reserve at the beginning of the next year. It has already been stated that our short-term deposits of Rs 30·54 lakhs made during the current year will also mature for realisation early next year. It is expected, that after meeting all the proposed expenditure, there will still be a comfortable closing balance of Rs 65·02 lakhs which would be more than sufficient to cover the ordinary demands of Government. It is accordingly not necessary either to sell the securities held under Revenue Reserve Fund or General Reserve Fund or resort to any additional taxation or borrowing. On the other hand, a debt of Rs 14·75 lakhs would stand discharged. Besides actual cash of Rs 65·02 lakhs, securities and bullion worth nearly Rs 2 crores are expected to stand at the credit of Government and on the whole, the year would close with a financial position as strong as ever before.

Conclusion.

46. Sir, I have been attempting to present to the House a true picture of the finances of the State and to bring home to the Honourable Members some of the outstanding features of the financial

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